



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

DAVID C. HOLLISTER
DIRECTOR

Senate Bill 377 (As Introduced)

Topic: Credit Reports
Sponsor: Senator Jacobs
Co-sponsors: Senators Leland, Clark-Coleman, and Basham
Committee: Senate Banking and Financial Institutions

Date Introduced: April 13, 2005

Date of Summary: April 18, 2005

The bill creates the Credit Security Act of 2005 to allow a consumer to place a security freeze on his or her consumer file by making a written request to a credit reporting agency. The credit reporting agency would be required to place a security freeze on the consumer's file within 10 business days after receiving a request. When a security freeze is in place a credit reporting agency may not release information from the file without prior express authorization. The credit reporting agency is also required to provide the consumer with a unique personal identification number of password that the consumer may use to provide authorization for access to the file for a specific period of time. The agency must simultaneously provide a written description of the process for placing, removing, and temporarily lifting a security freeze and the process for allowing access to information from the file while the freeze is in effect. A consumer may request a replacement identification number of password, and the credit reporting agency has 7 business days to provide the new identification or password.

A credit reporting agency is required to notify a person who requests a credit report if a security freeze is in effect for that file. Certain information may not be changed while a security freeze is in effect without sending written confirmation, including name, birth date, social security number, or address. If the change is an address change, the confirmation must be sent to both the new and old address. Written confirmation is not required for a technical modification of information in the file, including name and street abbreviations, complete spellings, or transposition of numbers of letters.

A credit reporting agency is required to remove or temporarily lift a security freeze only in one of the following instances:

- The consumer requests it and pays the appropriate fees.
- The file is frozen due to a material misrepresentation of fact by the consumer. Notice is required of intent to remove the security freeze in this event.

A consumer may request the agency to allow access for a specific period while the security freeze is in place. The agency has 3 business days in which to comply with such a request.

A security freeze remains in place until the consumer requests that it be removed. An agency has 3 business days in which to remove a security freeze after receiving a request.

A credit reporting agency may impose a reasonable fee on a consumer for initially placing a security freeze on a file, but the fee may not exceed \$10. The fee for temporarily lifting a security freeze may not exceed \$8. A fee may not be charged for revoking a security freeze.

A consumer damaged by an intentional or negligent violation of the requirements may bring a civil action and is entitled to recover his or her actual damages plus reasonable attorney fees and court costs.